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Q-33457

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

H 92-3241

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter ended June 30, 1992 Commission File Number 0-5715

CITINATIONAL DEVELOPMENT TRUST

California	95-2640413
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

404 North Roxbury Drive, Beverly Hills, California	90210
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (310) 550-5400

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

600,000 Shares of Beneficial Interest outstanding at August 10, 1992.

This Form 10-Q contains 6 pages.

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Part I. **FINANCIAL INFORMATION**

Item 1. **FINANCIAL STATEMENTS**

CITINATIONAL DEVELOPMENT TRUST

STATEMENT OF FINANCIAL CONDITION
(Unaudited)
(000 omitted)

	June 30 1992	March 31 1992
ASSETS		
Cash	$ 14	$ 19
Short-term investments--at cost	1,141	1,129
Interest receivable	1	1
Income tax refund receivable	29	29
	1,185	1,178
Other real estate, at fair value (Note 2)	524	540
Total assets	$1,709	$1,718
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accrued expenses and other liabilities	$ 6	$ 15
Shareholders' equity		
Shares of Beneficial Interest--$1 par value--unlimited authorization-- 600,000 shares issued and outstanding	600	600
Paid in capital	1,769	1,769
Deficit	(666)	(666)
Total shareholders' equity	1,703	1,703
Total liabilities & shareholders' equity	$1,709	$1,718

CITINATIONAL DEVELOPMENT TRUST

STATEMENT OF INCOME
(Unaudited)
($000 omitted)

	For the three months ended June 30	
	1992	1991
Income		
Interest income from short-term investments	$ 11	$ 23
Interest income--mortgage loan (Note 2)		37
Total income	11	60
Costs and expenses		
Management fees	3	3
Professional services	7	3
Miscellaneous expenses	1	2
Total costs and expenses	11	8
Income before income taxes	0	52
Income tax provision	0	(18)
Net income--Note 1	$ 0	$ 34
Per share data		
Net income	$ .00	$ .06
Dividends paid	None	None
Average number of Shares of Beneficial Interest outstanding	600,000	600,000

CITINATIONAL DEVELOPMENT TRUST

STATEMENT OF CASH FLOWS
(Unaudited)
(000 omitted)

	For the three months ended June 30	
	1992	1991
Cash flows from operating activities		
Income before extraordinary credit		$ 34
Adjustments to income:		
Decrease in accrued expenses and other liabilities	$ (9)	(10)
Increase in interest receivable and other assets		(3)
Decrease in other real estate	16	
Net cash provided by operating activities	7	21
Cash flows from investing activities		
Increase in short-term investments	(12)	(13)
Net cash used in investing activities	(12)	(13)
Net (decrease) increase in cash	(5)	8
Cash at beginning of year	19	24
Cash at end of quarter	$ 14	$ 32

Notes to the Financial Statements of the Registrant

1. The information furnished reflects all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods.

2. An investment in a mortgage loan on real estate resulted from the Trust's sale of its office building in Cayce, South Carolina, for which a note in the amount of $1,069,000 was accepted as part of the proceeds of the sale. As of March 31, 1990, due to the softness of the local real estate market, the Trust established a reserve in the amount of $244,000 to reflect the estimated realizable value of the note.

   In January, 1992 the Trust was notified by the borrower of their inability to make scheduled interest payments. As a result, the loan was placed on nonaccrual status, effective December 31, 1991, and interest accrued and unpaid in the amount of $17,100 was reversed against interest income. In the fourth quarter of fiscal 1992, additional interest payments of $12,700 were applied to principal reduction for financial reporting purposes.

   Due to the borrower's inability to rebuild equity in the building, or otherwise repay the loan in the foreseeable future, the Trust reclassified the loan to an "in-substance" foreclosure, as of March 31, 1992, and reduced the carrying value of the loan to equal the fair value of the buildings net of expenses to sell and obtain title. During the quarter ended June 30, 1992, interest payments of $16,500 were applied against the carrying value of the buildings. Future payments by the borrower will also be applied against the carrying value.

   Based on the current status of the property and the borrower, management considers full repayment of the loan doubtful. In the event of nonpayment, the Trust may be required to foreclose on the property and resell the building, or restructure the terms of the loan and extend the maturity date.

   In April, 1992 the Trust received an appraisal report for the office buildings indicating a new roof was needed, expenditures for tenant improvements required, as well as significant expenses for asbestos abatement during and after the replacement of the roof and construction of new tenant improvements, because asbestos containing materials would be disturbed. Due to the condition of the building, and the continuing deterioration of the local real estate market, further declines in the value of the property may occur, necessitating additional write downs of the current book value. Expenditures by the Trust may also be required for building repairs and leasing, as well as other operating revenues. such expenditures will have an adverse effect on the results of future operations.

Item 2. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

For the three months ended June 30, 1992 the operating revenues of the Trust were derived from interest on short-term investments amounting to $11,000. For the same period in 1991 they were derived from interest on the mortgage loan, amounting to $37,000, and interest on short-term investments amounting to $23,000.

The liquidity of the Trust continues to be excellent. The Trust has no debt.

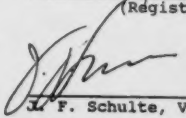
Part II. **OTHER INFORMATION**

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Citinational Development Trust
(Registrant)



August 13, 1992

J. F. Schulte, Vice President